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Preparations for the Second Industrial Development Decade for Africa

Report of the Secretary-General

SUMMARY

At its forty-fourth session, the General Assembly adopted resolution 44/237 of 22 December 1989 proclaiming the period 1991-2000 the Second Industrial Development Decade for Africa. The present report is submitted in accordance with paragraph 4 of the resolution, which "requests the Secretary-General of the United Nations, in consultation with the Director-General of the United Nations Industrial Development Organization, the Secretary-General of the Organization of African Unity, the relevant subregional and regional economic groupings in Africa and the United Nations bodies concerned, to undertake the necessary preparations for the Second Industrial Development Decade for Africa and to submit, through the Economic and Social Council, a report on those preparations to the General Assembly at its forty-fifth session".

In its resolution 44/237, the General Assembly assigned specific responsibilities to the Economic Commission for Africa (ECA) and the United Nations Industrial Development Organization (UNIDO) to prepare a framework of the Second Industrial Development Decade for Africa and to provide technical assistance to individual countries, at their request, for the preparation of national programmes and to intergovernmental organizations on the preparation of their subregional programmes for the Decade. The technical assistance to countries and subregional

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organizations is to be extended through provision of local and international experts. ECA and UNIDO were equally entrusted with responsibility for preparing a zero draft of the programme for the Decade and for organizing two meetings of the Working Group of Governmental Experts to review and finalize the draft programme.

A timetable of activities to be undertaken by the secretariats of the Organization of African Unity (OAU), ECA and UNIDO, the Working Group of Governmental Experts and Member States, from the proclamation of the Decade in the second half of 1989 to the submission and adoption of the programme for the Second Industrial Development Decade for Africa by the tenth meeting of the Conference of African Ministers of Industry in the second quarter of 1991, was established in both resolution 2 (IX) of the ninth meeting of the Conference of African Ministers of Industry and the report of the Secretary-General (A/44/812).

With a view to accelerating the preparations of the programme of the Second Industrial Development Decade for Africa, UNIDO has, in January and February 1990, invited nominations from each subregion for the composition of the Working Group of Governmental Experts, which should comprise three countries in each of the five subregions of North Africa, West Africa, Central Africa, Eastern and Southern Africa and whose main responsibility is to review and finalize both the framework for the preparation of national and subregional programmes and the zero draft of the programme for the Decade. By 30 March 1990, Central Africa, Eastern Africa and West Africa had submitted their nominations of countries to be members of the Working Group, while the remaining two subregions were being urged to do the same. Countries nominated to the Working Group were invited to designate their representative experts.

With regard to the preparation of a framework for the programme of the Decade, the Joint Committee of the OAU, ECA and UNIDO secretariats on the Industrial Development Decade for Africa considered and finalized, during its tenth meeting, held at Addis Ababa from 22 to 27 March 1990, a draft framework for the preparation of national and subregional programmes.

The framework for the preparation of national and subregional programmes covers the following major areas:

(a) Concepts and basic principles for the Second Industrial Development Decade for Africa. In this area emphasis is placed on self-reliance and self-sustainment at national and subregional levels through an increasing use of local factor inputs, the promotion of internal engines of growth, the intensification of subregional and regional co-operation and integration schemes in the core and strategic industries, a greater role for indigenous entrepreneurs, both public and private, and so on;

(b) Outline of national and subregional programmes for the Second Industrial Development Decade for Africa. African Governments and subregional organizations are advised to formulate appropriate policies and strategies for industrial development, to choose specific and impact-oriented programmes, and to concentrate on a limited number of concrete programmes and projects in order to be effective;

(c) Guidelines for national programmes. Here, Governments are advised to conduct a thoughtful analysis of their industrial sector to assess its weakness and potentials; to formulate national programmes based on the use of domestic factor inputs, increasing agro-industrial linkages and indigenous entrepreneurship; and to establish a national consultative mechanism involving all relevant government ministries, all agents of production, development and distribution, public and private. Governments are equally urged to look more and more inward to mobilize resources and other major factor inputs for financing the programme of the Second Decade;

(d) Guidelines for subregional programmes. Subregional programmes should aim at implementing core- and resource-based projects and strengthening existing mechanisms or establishing new mechanisms for ensuring effective follow-up and monitoring of those projects. The preparation process of the subregional programmes should follow the same approach as in the case of national programmes;

(e) Promotional programmes. During the First Industrial Development Decade for Africa promotional activities were directed largely towards government officials and policy makers. During the Second Decade, there should be a shift from the policy-making level to operating levels of entrepreneurs, investors, managers, technicians, planners and so on at the project and enterprise levels;

(f) Co-ordination and monitoring. Monitoring and evaluation mechanisms must be created in order to co-ordinate and monitor the implementation of the programme of the Second Decade. At the national level, the composition of a high-level committee made up of the relevant ministries and representatives of the private sector is proposed. Similar mechanisms should be considered at the subregional and regional levels.

In order to accelerate the preparation of the programme for the Second Industrial Development Decade for Africa, UNIDO has, on behalf of the three secretariats, informed all African countries of the availability of technical assistance in UNIDO and ECA for the preparation of their respective programmes. As at 10 April 1990, 40 countries had indicated to UNIDO their interest and needs. As a follow-up, ECA has requested each country to nominate a local expert who should work together with the international experts provided by UNIDO to assist the Government in the preparation of the national programme.

Furthermore, the tenth meeting of the Joint Committee of the OAU, ECA and UNIDO secretariats on the implementation of the Industrial Development Decade for Africa, held at Addis Ababa from 22 to 27 March 1990, reviewed and finalized the terms of reference prepared by ECA for local and international experts to assist member countries and subregional organizations in the preparation of their respective programmes. It was noted that the terms of reference of international experts to be provided by UNIDO would be based on the specific requests received from the countries.

The meeting has also drawn up an implementation plan for the activities to be undertaken during the remainder of 1990.

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I. BACKGROUND

1. In its resolution 44/237 of 22 December 1989, the General Assembly endorsed the proposals of the Secretary-General in which ECA and UNIDO were given specific responsibilities with respect to the preparation of a framework of the Second Industrial Development Decade for Africa. In addition, ECA and UNIDO were requested to provide technical assistance to individual countries, at their request, for the preparation of national programmes and to intergovernmental organizations on the preparation of their subregional programmes for the Decade. Both secretariats should also prepare a zero draft of the programme and organize two meetings of the Working Group of Governmental Experts to consider it. ECA is responsible for providing local experts to Governments and international experts to intergovernmental organizations, as well as for convening the two expert meetings. UNIDO is entrusted with responsibility for providing international experts to individual countries. In this connection, ECA and OAU have estimated resource requirements at $1,345,800. Of this amount UNIDO has earmarked $883,900 out of the total $8.6 million approved for the Decade programme for the biennium 1990-1991. The balance of $462,700 provided by the United Nations will be disbursed by ECA.

2. The timetable for the preparation of the programme for the Second Industrial Development Decade for Africa has been established in both resolution 2 (IX) of the ninth meeting of the Conference of African Ministers of Industry (CAMI.9) and the report of the Secretary-General (A/44/812) as follows:

(a) Second half of 1989: Proclamation of the Second Industrial Development Decade for Africa by the General Assembly and preparation of a framework by the secretariats of OAU, ECA and UNIDO, in consultation with the Working Group of Governmental Experts, to assist Member States in the elaboration of their programmes for the second decade;

(b) First half of 1990: Preparation by African Governments, with the assistance, upon request, of the secretariats of OAU, ECA and UNIDO, of national programmes for the Second Industrial Development Decade for Africa, taking into account the recommendations contained in the report of the independent experts on the mid-term evaluation of the Decade, the joint comments of the secretariats of OAU, ECA and UNIDO on that report and existing subregional industrial co-operation programmes. Similar assistance could be provided upon request to subregional organizations in the preparation of their programmes for the Second Decade;

(c) Third quarter of 1990: Preparation by the secretariats, in consultation with African countries and relevant African and United Nations organizations, of a zero draft of the programme for the Second Decade;

(d) Fourth quarter of 1990: Organization of a first meeting of the Working Group of Governmental Experts to review the zero draft of the programme for the Second Decade;

(e) First quarter of 1991: Organization of a second meeting of the Working Group of Governmental Experts for the finalization of the draft programme for the Second Industrial Development Decade for Africa;

(f) Second quarter of 1991: Tenth meeting of the Conference of African Ministers of Industry and the preceding meeting of the Intergovernmental Committee of Experts of the Whole on Industrialization in Africa with the main objective of considering and adopting the programme for the Second Industrial Development Decade for Africa.

II. ACTIONS TAKEN AND PROGRESS MADE IN THE PREPARATION OF A PROGRAMME FOR THE SECOND INDUSTRIAL DEVELOPMENT DECADE FOR AFRICA

(a) Establishment of the Working Group of Governmental Experts

3. In a letter dated January 1990 and a reminder sent in February, UNIDO invited nominations from each subregion through the members of the Bureau of the ninth meeting of the Conference of African Ministers of Industry for the composition of the Working Group of Governmental Experts established by the ninth meeting of the Conference of African Ministers of Industry in paragraph 8 of its resolution 2 (IX). The Working Group should be composed of three countries in each of the five subregions of North Africa, West Africa, Central Africa, Eastern Africa and Southern Africa. The main responsibility of the Working Group is to review and finalize both the framework for the preparation of national and subregional programmes and the zero draft of the programme for the Second Industrial Development Decade for Africa.

4. By 30 March 1990, Central Africa, Eastern Africa and West Africa had submitted their nominations of countries to be members of the Working Group. Southern Africa and North Africa were contacted by UNIDO urging them to submit their respective representative countries. At the same time, countries nominated as members of the Working Group were invited to designate their representative experts.

(b) Preparation of the framework for the programme for the Second Industrial Development Decade for Africa

5. At its tenth meeting, held at Addis Ababa from 22 to 27 March 1990, the Joint Committee of the OAU, ECA and UNIDO secretariats on the Industrial Development Decade for Africa considered and finalized the draft framework with a view to assisting African countries and subregional organizations in the formulation of their respective programmes for the Decade. In order to accelerate the preparatory process, the meeting recommended that the draft framework should be circulated to all African Governments and organizations in that form in order to enable them to start their preparations. The final version would be circulated later after revision based on the comments of the members of the Working Group of Governmental Experts.

6. The framework covers the following areas:

(a) Concepts and basic principles of the Second Industrial Development Decade for Africa;

(b) Outline of the national and subregional programmes for the Second Industrial Development Decade for Africa;

(c) Guidelines for national programmes;

(d) Guidelines for subregional programmes;

(e) Promotional programmes;

(f) Co-ordination and monitoring.

1. Concepts and basic principles of the Second Industrial Development Decade for Africa

7. The fundamental twin objectives of the Decade are self-reliance and self-sustainment at the national and regional levels. This has to be achieved mainly through an increasing use of local factor inputs, the promotion of internal engines of growth, the institutionalization and intensification of co-operation and integration schemes among African countries, particularly in the core and strategic industries, with the full involvement of indigenous entrepreneurs, both public and private. Emphasis should be placed on the building up of domestic and regional production structures through enlarged markets, multinational core projects and the strengthening of an interdependent physical and human infrastructure in critical areas.

2. Outline of national and subregional programmes for the Second Industrial Development Decade for Africa

8. In the preparation of national and subregional programmes, Governments and subregional organizations are advised to formulate appropriate policies and strategies for industrial development, to choose specific and selective programmes and to concentrate on a limited number of concrete programmes and projects in order to be effective. Four main indicative thrust areas have been proposed to countries and subregions in the preparation of their respective programmes for the Decade:

(a) Programmes of consolidation;

(b) Programmes of industrial expansion and new investments;

(c) Support programmes;

(d) Special programmes for least developed countries.

3. Guidelines for national programmes

9. The following sequential actions are proposed:

(a) Analysis of the industrial sector. This analysis should consider the structure and pattern of the industrial sector and subsectoral survey of performance, capacity utilization, industrial exports and imports, level of industrial investment, availability of skills, level of entrepreneurial development, costs of domestic industrial production, degree and use of domestic factor inputs, degree of dependence on imported inputs, review of the regulatory framework and public policies affecting industrialization, problems and constraints, potentials and priorities, and so on;

(b) Formulation of national programmes. The national programmes should include objectives, policies and implementation strategies concerning the use of domestic factor inputs, agro-industrial linkages, the promotion of indigenous entrepreneurship, the development of skills and manpower, and the provision of institutional and physical infrastructure. It should also provide a selection of priority investment projects;

(c) Preparation of national programmes for the Second Industrial Development Decade for Africa. The Second Decade is a multidisciplinary exercise and as such it is important to establish a consultative mechanism - a national co-ordinating committee - involving all relevant government agencies and ministries of industry, finance, planning, agriculture, national resources, energy, transport, education, trade and commerce as well as public and private enterprises, chambers of industry and commerce, manufacturers' associations, development banks and financial institutions, and so on. Governments may consider setting up subsectoral committees under the overall guidance and supervision of the national co-ordinating committee for the Decade;

(d) Financing and other major factor inputs. An estimation of the cost of the national programme for the Second Decade is a necessary tool in the programming and implementation process in order to launch resource mobilization, both local and external. Countries would have to mobilize resources from (i) domestic sources (mainly budget allocations, domestic savings, surplus of public enterprises, private domestic investments, loans from development and commercial banks); and (ii) external sources (foreign loans, foreign investment, donor assistance, international technical assistance and so on). The resource mobilization exercise should also deal with the availability and supply of domestic raw materials, indigenous skills available and other local factor inputs.

4. Guidelines for subregional programmes

10. The subregional programmes should aim at implementing engineering core- and resource-based projects retained in the revised subregional programmes and at strengthening existing mechanisms or establishing new mechanisms for ensuring effective follow-up and monitoring of programme implementation. As in the case of country programmes, the preparation process of the subregional programmes should include:

(a) The evaluation of subregional industrial co-operation and identification of subregional priority. Review of the legal framework and policies for industrial

co-operation, with reference to mechanisms of co-operation, their effectiveness, constraints, potential, provision of industrial support services, enumeration of adequate trade policies and so on;

(b) The preparation of a subregional industrial development programme for the Second Industrial Development Decade for Africa. Definition of policies, objectives and strategies; selection of priority investment programmes (iron and steel industries, engineering industries, agricultural machinery and equipment industries, energy equipment, fertilizers, basic chemical industries, pharmaceutical, food-processing industries and so on), costing of the programme, including the provision of an investment portfolio;

(c) The modalities for formulation and implementation. The formulation and the implementation of subregional programmes would require the establishment at the subregional level of an industrial promotion co-ordinating committee with the mandate of overseeing the implementation of all industrial programmes in the subregion. Where necessary, subsectoral promotion committees may be established. Those committees should include representatives of Governments, public and private enterprises from each country participating in the project, chambers of industry and commerce, national and regional financial institutions, and so on. Modalities for implementation should identify "host countries" for subregional projects with a view to placing responsibility and ensuring speedier follow-up;

(d) The financing and other major factor inputs. Subregional co-operation is essential for the provision of major factor inputs as well as financing. Financing of subregional programmes and mobilization of other major factor inputs should therefore come mainly through strengthened subregional financial and banking institutions, co-operation between central banks, cross-equity participation by Governments, tax and tariff relief measures, encouraging joint ventures and regional trade in raw materials and other development factors, and so on.

5. Promotional programmes

11. During the First Industrial Development Decade for Africa promotional activities were directed largely towards government officials and policy-makers. The promotional activities to be undertaken for the Second Decade have to have a qualitatively different dimension and a new direction and focus. They should be action-oriented and geared to stimulate the implementation of the programme of the Decade. While the participation of key government officials will still be needed, the action-oriented thrust demands that the level of participation should now shift to operating levels: entrepreneurs, investors, managers, technicians, planners and others at the project and enterprise levels, both from the public and private sectors.

6. Co-ordination and monitoring

12. A monitoring and evaluation mechanism must be created to co-ordinate and monitor the implementation of the programme of the Second Decade. At the national

level, the composition of a high-level committee made up of the relevant ministries and representatives of the private sector is proposed. Similar mechanisms should be considered at the subregional and regional levels.

C. Preparation of terms of reference for local and international experts for the preparation of programmes of the Second Industrial Development Decade for Africa

13. On behalf of the three secretariats, UNIDO has informed all African countries of the availability of technical assistance in UNIDO and ECA for the preparation of their respective programmes, requesting them to specify the areas where such assistance is needed. As at 10 April 1990, 37 countries had indicated to UNIDO their interest and needs. As a follow-up, ECA has requested each country to nominate a local expert who should work together with the international experts provided by UNIDO to assist the Government in the preparation of its national programme.

14. At its tenth meeting, the Joint Committee of the OAU, ECA and UNIDO secretariats on the Industrial Development Decade for Africa reviewed the terms of reference prepared by ECA for local and international experts to assist countries and subregional organizations in the preparation of their respective programmes for the Second Decade. The meeting stressed the need for the local experts to work in close co-operation with the international experts to be provided by UNIDO. The identification of local and international experts and their recruitment are under way.

D. Implementation plan for activities to be undertaken during 1990

15. The tenth meeting of the Joint Committee also drew up an implementation plan of the activities to be undertaken during the remainder of 1990, on the basis of the timetable established in resolution 2 (IX) of the ninth meeting of the Conference of African Ministers of Industry for the preparation of the programme for the Second Industrial Development Decade for Africa. It has agreed on the following timetable:

April 1990: (a) Translation and dispatch of the draft framework document to the Working Group of Governmental Experts, Governments and subregional organizations;

(b) Completion of constitution of the Working Group;

(c) Identification of consultants and experts.

May: (a) Recruitment of national experts;

(b) Receipt of responses from 15 members of the Working Group;

(c) Preparation of national and subregional programmes by Governments and subregional organizations;

(d) Missions by field experts and consultants where required.

June: (a) Finalization of the framework, its translation and dispatch to all member States, subregional organizations and experts;

(b) Continuation of preparation of national and subregional programmes by Governments and organizations.

July: Continuation of preparation of national and subregional programmes by Governments and organizations.

August: Continuation of preparation of national and subregional programmes by Governments and organizations.

September. Submission by Member States of their respective programmes for the Second Industrial Development Decade for Africa.

October: (a) Submission by subregional organizations of their programmes for the Second Decade; continuation of submissions by Member States;

(b) Consultations among the secretariats to

(i) Review the progress and plan for future activities;

(ii) Agree on the outline of the zero draft of the programme for the Second Decade;

(c) Preparation of the preliminary text of the zero draft of the programme for the Second Decade.

November: (a) Meeting of the secretariats to consider the zero draft of the programme for the Second Decade;

(b) Translation of the zero draft;

(c) Dispatch of invitations to the first meeting of the Working Group.

December: (a) First meeting of the Working Group;

(b) Consultation among the three secretariats to review progress and plan future activities.